



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

**Family Investment
Administration
ACTION TRANSMITTAL**

Control Number: # 17-9

Effective Date: October 1, 2016

Issuance Date: October 6, 2016

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

FROM: TRACEY C. PALIATH, EXECUTIVE DIRECTOR *Tracey Paliath*

RE: MODIFICATION IN CARES SELF EMPLOYMENT CALCULATION

PROGRAM AFFECTED: FOOD SUPPLEMENT PROGRAM (FSP)

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND REPORTING

SUMMARY

Previously local departments of social services had to complete manual calculations outside of the CARES system to determine FSP self-employment income. CARES was not programmed to complete a 50 percent disregard of customer's self-employment income when determining FSP benefits.

This AT provides information on changes to CARES' programming effective October 1, 2016 for the 50% disregard for self-employment and replaces AT #16-17.

ACTION REQUIRED

Effective October 1, 2016 CARES will apply the deductions (50% and 20%) that self-employed customers are eligible for.

The customer also has the option of providing verification of actual income and deductions to determine self-employment income. The Department recommends the customer submit a minimum of three (3) months of income and deductions for this option. Refer to FSP Manual Section 104.83 for a list of allowable deductions.

CARES PROCEDURES

- I. Enter the customer's Employer Name and the date the Customer began employment with the employer. Enter "SE" in the Income Type Field.

CHANGE	EARNED INCOME 1 - ERN1		ERN1 01				
Month 05 42	RAASF 05 01 42		01				
Client Name ZINNY	MOUSE		Client ID 447000799				
Up Total Earnings for 24 Months							
Employer Name UBER		Federal ID					
Address Line 1		Line 2					
City	ST	Zip	Phone				
Type	Begin	End	\$30+1/3	\$30+1/3	\$30	JTPA	Student
	Date	Date	Ind Cntr	End Date	End Date	Ind Cntr	Ind Cntr
				(MM YY)	(MM YY)		
SE		03 01 42					
Employer	Vol	Quit Date	Wages/Hrs	Hrs Per	Vol Quit	Late	Num of
Ins Avail	Quit	(MM DD YY)		Month	Good Cause	Report	Boarders
U						n	
							More Jobs
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0013 REQUIRED FIELDS ARE IDENTIFIED BY "*"							

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II. Enter the weekly amount the customer receives in Self Employment Income on the ERN2 Screen.

CHANGE	EARNED INCOME 2 - ERN2				ERN2 01			
Month 05 42	RAA28F		05 01 42		01			
Client Name ZINNY		MOUSE		Client ID 447000799				
Employer Name UBER				Federal ID				
Del ----- Prospective 05 42 -----								
Amt 1	Hrs V	Amt 2	Hrs V	Amt 3	Hrs V	Amt 4	Hrs V	
250.00 010 WS								
Extra								
Freq WE Wk Exp Type/Amt/Freq								
Del ----- Retrospective 04 42 -----								
Amt 1	Hrs V	Amt 2	Hrs V	Amt 3	Hrs V	Amt 4	Hrs V	
250.00 010 WS								
Extra								
Freq WE Wk Exp Type/Amt/Freq								
More Jobs								
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III. The FSFI Screen will reflect the 50% and 20% deductions for the household's self employment income.

Example:

- \$250.00 weekly = \$1,000.00 monthly.
- 50% of \$1,000.00 (gross self-employment income) = \$500.00
- \$1,000-\$500 (self-employment deduction) = \$500
- 20% of \$500.00 = \$100.00 (earned income deduction)
- \$500.00 - \$100.00 = \$400.00
- \$400.00 is reflected as the net income on the FSFI Screen.

FINALIZE		FOOD STAMP FINANCIAL ELIGIBILITY - FSFI		FSFI A	
Month 06 42		RAA28F 05 01 42			
AU ID 930000567		Prog FS	Prog Type S	HH Size 02	
Cat Elig F		Child Support Deductn		.00	
Assets		Shelter Cost		.00	Uncapped
Asset Limit		2000.00	Shelter Deductn	.00	Shelter N
Total Assets		.00	Medical Deductn	.00	
Income Test		Dep Care Deductn		.00	TFS N
Gross Income Standard		.00	Adjusted Net Income	243.00	CAP N
Gross Earned Income		1000.00	Net Income Standard	.00	
Earned Income Deductn		600.00	30% Adj Net Income	73.00	
Net Earned Income		400.00	Thrifty Food Plan	357.00	
Gross Unearned Income		.00	Grant Amount	284.00	
Cash Benefit Amount		.00	Recoupment Amount	.00	
IV-D Passthru Amount		.00	Benefit Amount	284.00	
Standard Deductn		157.00	Previous Benefit	.00	
Bnft Eff Date 050142		Bnft Confirm	Reasons	Budgeting Method P	
Notice Type Waive Advr Act Period		Notice Override		Simplified Rpt Y	
Redet Begin Date 06 42		Redet End Date 09 42	MR Stat	MR Class	Strat Y
Message					
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NOTE

For customers choosing to use actual income and expenses, remember that not all business expenses listed on a customer's federal tax Schedule C are allowable deductions for FSP eligibility. Again, refer to the FSP Manual Section 104.83 to determine which deductions are allowed. Case Managers can use Schedule C, line 1, which is the gross self-employment income.

Attachments: Revised FIA FSP Manual Section 104

INQUIRIES

Please direct all policy questions to the FIA Policy unit at fia.policy@maryland.gov or telephone 410-767- 7953. Please direct CARES questions to La Sherra Ayala at 410-238-1285 or lasherra.ayala@maryland.gov.

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Office of the Inspector General